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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 28, 2002

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

CASE NO. PUE-2002-00519

Ex Parte: In the matter of considering requests for approval to delay the provision of consolidated billing services pursuant to § 56-581.1 of the Virginia Code

ORDER GRANTING REQUESTS

On September 16, 2002, Virginia Electric and Power Company ("Dominion Virginia Power") filed a motion with the State Corporation Commission ("Commission") requesting a delay to implement consolidated billing services in its service territory, pursuant to § 56-581.1 of the Virginia Code. Dominion Virginia Power stated that the approach taken by the rules adopted by the Commission for competitive service provider ("CSP") consolidated billing services will require a significant commitment of time and resources to develop, implement, and test the necessary changes to its billing system. Further, Dominion Virginia Power stated that its work on the internal systems and processes necessary to implement CSP consolidated billing cannot begin in earnest until the underlying policies and business rules have been coordinated with the VAEDT. Dominion Virginia Power stated that it would be prepared to offer the CSP consolidated billing option to interested CSPs no later than 180 days after the Revised Version of the VAEDT Plan is filed with the Commission.

By Order dated September 27, 2002, the Commission docketed the matter, assigned a case number, and permitted other local distribution companies ("LDCs") wishing to request similar delays to file their applications with the Commission on or before October 11, 2002. By October 11, 2002, Allegheny Power ("AP"), Delmarva Power & Light Company ("Delmarva"), and Appalachian Power Company ("AEP-VA") had filed applications pursuant to the Commission's September 27, 2002, Order.

In its request, AP stated that it cannot prudently begin to develop the changes to its billing system required by the VAEDT protocols until they have become finalized. AP stated that it anticipates that changes to its billing system to accommodate the VAEDT's protocol for CSP consolidated billing can be accomplished approximately four months after the date those regulations are finalized.

Delmarva stated that given the work that remains to be done by the VAEDT, the infrastructure necessary to provide the CSP consolidated billing option cannot be in place and tested by January 1, 2003. Therefore, implementing a CSP consolidated billing option in Delmarva's service territory on January 1, 2003 would not be in the public interest. Delmarva stated that it will be prepared to offer the CSP consolidated billing option to interested CSPs no later than 180 days after the Revised Version of the VAEDT Plan and associated EDI Implementation standards are submitted to the Commission.

AEP-VA requested that the Commission confirm that its adoption of an interim manual process would meet the requirements of the new rules and workaround plan. In the alternative, however, AEP-VA requests that if the Commission concludes that the new rules or the workaround plan do not permit a manual workaround process, its application be treated as a

request for a delay in implementing CSP consolidated billing for the same reasons stated in the applications of Dominion Virginia Power and AP.

On October 18, 2002, the Staff of the Commission and the Association of Electric Cooperatives (the "Cooperatives") filed comments on the requests filed by Dominion Virginia Power, AP, Delmarva and AEP-VA. In its comments, the Staff stated that it does not object to delaying implementation of CSP consolidated billing for any of the LDCs, and agrees with AEP-VA's interpretation that it may provide such service manually until it can complete its system modifications to implement the VAEDT business solution. The Staff further stated that given the current uncertainty and lack of supplier activity in the marketplace, a delay to provide CSP consolidated billing services will not harm any market participant or customer. The Staff also stated that it is working closely with the VAEDT to develop a business solution that will be supported by all market participants, and that revisions to its plan will be presented to the VAEDT prior to its next meeting on November 7, 2002. The Staff expects the approved revisions to be incorporated into final documentation of the VAEDT Plan and Implementation Standards and submitted to the Commission by December 13, 2002.

In its comments, the Cooperatives state that given the current lack of retail activity in the Commonwealth, they believe that the Commission's approval of Dominion Virginia Power's motion will not have an adverse effect on the development of retail competition in the Commonwealth. The Cooperatives also state that the Commission should carefully consider the cost to modify existing LDC systems to properly implement any changes before enacting any future amendments to the Retail Access Rules.

NOW THE COMMISSION, having considered these requests, the comments filed by the Staff and the Cooperatives, and the applicable rules and laws, finds that the requests submitted

by Dominion Virginia Power, AP, and Delmarva should be granted. We also find that AEP-VA may provide CSP consolidated billing service manually on January 1, 2003, and convert to the VAEDT-supported solution later in 2003.

Accordingly, IT IS ORDERED THAT:

- (1) Dominion Virginia Power, Allegheny Power, and Delmarva Power & Light Company may defer the provision of CSP consolidated billing services until they can modify their respective billing systems to use the VAEDT-supported solution, but shall implement CSP consolidated billing services using such solution no later than July 1, 2003.
- (2) Appalachian Power Company may provide CSP consolidated billing service manually on January 1, 2003, and convert to the VAEDT-supported solution no later than July 1, 2003.
- (3) There being nothing further to come before the Commission in this proceeding, this case shall be removed from the docket and the papers transferred to the file for ended causes.